

**ASSEMBLY BILL**

**No. 2807**

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**Introduced by Assembly Member Papan**

February 28, 2000

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An act to amend Section 11704.5 of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 2807, as introduced, Papan. Dealers: continuing education.

Existing law requires every person, except as specified, applying for a dealer license for the purpose of transporting sale of used vehicles on a retail or wholesale basis only, to take and successfully complete a written examination and to complete a preliminary educational program.

This bill would require the persons described above who are required to complete the examinations and educational program and who are thereafter issued a dealer's license every 2 years to successfully complete an educational program of not less than 4 hours that offers instruction in specified subjects and topics in order to maintain or renew that license. Because a violation of this provision would be a crime under existing law, the bill would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 11704.5 of the Vehicle Code is  
2 amended to read:

3 11704.5. (a) Except as provided in subdivision (d),  
4 every person who applies for a dealer's license pursuant  
5 to Section 11701 for the purpose of transacting sales of  
6 used vehicles on a retail or wholesale basis only shall be  
7 required to take and successfully complete a written  
8 examination prepared and administered by the  
9 department before a license may be issued. The  
10 examination shall include, but need not be limited to, all  
11 of the following laws and subjects:

12 (1) Division 12 (commencing with Section 24000),  
13 relating to equipment of vehicles.

14 (2) Advertising.

15 (3) Odometers.

16 (4) Vehicle licensing and registration.

17 (5) Branch locations.

18 (6) Offsite sales.

19 (7) Unlawful dealer activities.

20 (8) Handling, completion, and disposition of  
21 departmental forms.

22 (b) Prior to the first taking of an examination under  
23 subdivision (a), every applicant shall successfully  
24 complete a preliminary educational program of not less  
25 than four hours. The program shall address, but not be  
26 limited to, all of the following topics:

27 (1) Chapter 2B (commencing with Section 2981) of  
28 Title 14 of Part 4 of Division 3 of the Civil Code, relating  
29 to motor vehicle sales finance.

30 (2) Motor vehicle financing.

31 (3) Truth in lending.

32 (4) Sales and use taxes.

(5) Division 12 (commencing with Section 24000), relating to equipment of vehicles.

(6) Advertising.

(7) Odometers.

(8) Vehicle licensing and registration.

(9) Branch locations.

(10) Offsite sales.

(11) Unlawful dealer activities.

(12) Air pollution control requirements.

(13) Regulations of the Bureau of Automotive Repair.

(14) Handling, completion, and disposition of departmental forms.

*(c) Every dealer who is required to complete a written examination and an educational program pursuant to subdivisions (a) and (b) and who is thereafter issued a dealers license shall every two years after issuance of that license, successfully complete an educational program of not less than four hours that offers instruction in the subjects listed under subdivision (a) and the topics listed under subdivision (b) in order to maintain or renew that license.*

*(d) Instruction described in subdivisions (b) and (c) may be provided by generally accredited educational institutions, private vocational schools, correspondence institutions, and educational programs and seminars offered by professional societies, organizations, trade associations, and other educational and technical programs that meet the requirements of this section or by the department.*

~~(d)~~

*(e) This section does not apply to any of the following:*

*(1) An applicant for a new vehicle dealer's license or any employee of that dealer.*

*(2) A person who holds a valid license as a dealer at the time of application.*

*(3) A person who held a license as a dealer during the 36 months immediately preceding the date of the receipt of the application by the department.*

1 (4) A person who holds a valid license as an automobile  
2 dismantler, an employee of that dismantler, or an  
3 applicant for an automobile dismantler's license.

4 (5) An applicant for a motorcycle only dealer's license  
5 or any employee of that dealer.

6 (6) An applicant for a trailer only dealer's license or  
7 any employee of that dealer.

8 SEC. 2. No reimbursement is required by this act  
9 pursuant to Section 6 of Article XIII B of the California  
10 Constitution because the only costs that may be incurred  
11 by a local agency or school district will be incurred  
12 because this act creates a new crime or infraction,  
13 eliminates a crime or infraction, or changes the penalty  
14 for a crime or infraction, within the meaning of Section  
15 17556 of the Government Code, or changes the definition  
16 of a crime within the meaning of Section 6 of Article  
17 XIII B of the California Constitution.

